

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

In the Matter of Petition of Southern California  
Gas Company for Modification of Resolution  
G-3334.

Application 03-03-048  
(Filed March 25, 2003)

**SCOPING MEMO AND RULING**

**1. Summary**

Southern California Gas Company (SoCalGas) filed a petition to modify Ordering Paragraph 3 of Resolution G-3334. That Ordering Paragraph directed SoCalGas to file an implementation application for Decision (D.) 01-12-018 on or before April 14, 2003. Due to the changes that have occurred since D.01-12-018 was issued, and the directive in the Resolution that the changed circumstances be described in the implementation application filing, SoCalGas requests that the filing date be extended to October 15, 2003.

This scoping memo and ruling identifies the issues to resolve in this proceeding, determines that no hearings are needed, and establishes a schedule for this proceeding.

**2. Background**

In December 2001, the Commission issued D.01-12-018. This decision adopted the "Comprehensive Settlement" agreement, as modified by the Commission, for use in the gas service territories of SoCalGas and San Diego Gas & Electric Company (SDG&E). D.01-12-018 established a revised regulatory

and market structure framework for the natural gas industry in southern California. The Commission also ordered SoCalGas to file the necessary advice letters to implement this new gas structure. SoCalGas filed 10 implementation advice letters starting in December 2001 and ending in July 2001.

In Resolution G-3334, which was adopted on February 27, 2003, the Commission consolidated nine of the 10 advice letters, and denied all nine advice letters without prejudice. Ordering Paragraph 3 of the Resolution ordered SoCalGas to file an application to implement D.01-12-018 on or before April 14, 2003.

On March 25, 2003, SoCalGas requested in writing that the Commission's Executive Director extend the time to file its implementation application to May 22, 2003. SoCalGas also stated in the letter that it was filing a petition for modification of the Resolution to request a lengthier extension to October 15, 2003.

SoCalGas's petition for modification of the Resolution was filed on March 25, 2003. Since the filing was to modify a Commission Resolution, the petition for modification was assigned a new application number, A.03-03-048, and a new caption heading.

On April 9, 2003, the Executive Director granted SoCalGas' request for an extension of time to comply with Ordering Paragraph 3 of the Resolution. SoCalGas was given until June 30, 2003, to file the implementation application. The April 9 letter also stated that such an extension would provide other parties with a full 30 days in which to respond to SoCalGas' petition for modification of Resolution G-3334, and for parties to comment on the draft decision regarding SoCalGas' petition for modification of the Resolution.

On April 24, 2003, the Department of General Service (DGS) and the Southern California Generation Coalition (SCGC) filed a joint response to SoCalGas' petition for modification of the Resolution. No other parties filed a response to the petition.

### **3. Positions of the Parties**

#### **A. SoCalGas**

SoCalGas' petition for modification seeks to modify Ordering Paragraph 3 of Resolution G-3334. Ordering Paragraph 3 of the Resolution states: "SoCalGas is ordered to file an Application within 45 days of the signing of this Resolution to implement D.01-12-018." The 45th day was April 14, 2003, which was subsequently extended to June 30, 2003 by the April 9, 2003 letter from the Commission's Executive Director. SoCalGas proposes to modify Ordering Paragraph 3 to read as follows: "SoCalGas is ordered to file an Application by October 15, 2003 to implement D.01-12-018.

SoCalGas seeks to modify the filing date because Ordering Paragraph 4 of the Resolution directed SoCalGas to describe in its implementation application any new issues which must be dealt with due to the delay between the signing of the Comprehensive Settlement agreement, the issuance of D.01-12-018, and the implementation of that decision. SoCalGas contends that the additional time will allow it to consider the various changes that have or will take place in the natural gas markets in California, and to reflect those changed circumstances in the implementation application filing.

#### **B. DGS and SCGC**

DGS and SCGC do not oppose the extension requested by SoCalGas. However, they recommend that the Commission direct SoCalGas to consolidate the filing of the implementation application with the filing of SoCalGas'

upcoming Biennial Cost Allocation Proceeding (BCAP) application, which is scheduled to be filed on September 3, 2003.

DGS and SCGC contend that SoCalGas' BCAP should be consolidated with the implementation application filing because the implementation of D.01-12-018 will affect the BCAP proposals, and the BCAP proposals could affect the implementation of D.01-12-018. They also note that the BCAP filing has been delayed by over two years, and if the two proceedings are not consolidated, that SoCalGas or ORA may seek a further deferral of the BCAP.

#### **4. Scope of Issues**

The only relief that SoCalGas' petition requests is to modify Ordering Paragraph 3 of Resolution G-3334 so that the filing date for the implementation application is extended to October 15, 2003.

The only parties who filed a response to SoCalGas' petition for modification were DGS and SCGC. They do not oppose the extension request, but recommend that SoCalGas' upcoming BCAP filing be consolidated with the implementation application filing.

This proceeding will address two issues. The first issue is whether Ordering Paragraph 3 of Resolution G-3334 should be modified to extend the filing date for the implementation application to October 15, 2003. The second issue to address is whether SoCalGas' BCAP application, which is scheduled to be filed on September 3, 2003, should be consolidated with the implementation application filing.

SoCalGas, DGS, and SCGC have not requested any evidentiary hearings concerning these two issues, and all of these parties have had an adequate opportunity to brief their positions on these issues. Accordingly, no prehearing

conference is needed, and evidentiary hearings are not needed in connection with this proceeding.

SoCalGas requests that this proceeding be categorized as quasi-legislative because the implementation application filing concerns D.01-12-018, a decision in I.99-07-003, which was categorized as a quasi-legislative proceeding. This proceeding was preliminarily categorized as ratesetting in Resolution ALJ 176-3111 on April 17, 2003. Since the implementation application filing is to set rates for SoCalGas, and this proceeding is only addressing the extension request and whether the BCAP application should be consolidated, today's ruling confirms the categorization of this proceeding as ratesetting.

Anyone who disagrees with this categorization must file an appeal of the categorization no later than 10 days after the date of this ruling. (See Rule 6.4.) As a ratesetting proceeding, the ex parte rules contained in Rule 7(c) of the Commission's Rules of Practice and Procedure apply to this proceeding.

The principal hearing officer for this proceeding shall be Administrative Law Judge John S. Wong.

It is expected that this proceeding will be completed within 18 months from the filing of application to modify Resolution G-3334.

## **5. Schedule**

Since no hearings are needed to address the two issues that need to be resolved in this proceeding, and because SoCalGas and all interested parties have had an adequate opportunity to argue their positions, this proceeding should proceed directly with a draft decision, comments and reply comments on the draft decision, and a decision by the Commission.

The following is the schedule that will be followed in this proceeding:

Draft decision issued.	May 20, 2003
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Comments and reply comments on draft decision.	In accordance with Rule 77.7.
Decision adopted by the Commission.	June 19, 2003.

**IT IS RULED** that:

1. This proceeding shall address the two issues described in this scoping memo and ruling.
2. Administrative Law Judge John S. Wong is designated the principal hearing officer for this proceeding.
3. The schedule for this proceeding is as listed in the body of this scoping memo and ruling.

Dated May 23, 2003, at San Francisco, California.

/s/ CARL WOOD

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Carl Wood  
Assigned Commissioner

/s/ JOHN S. WONG

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John S. Wong  
Administrative Law Judge

**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of the original attached Scoping Memo and Ruling on all parties of record in this proceeding or their attorneys of record.

Dated May 23, 2003, at San Francisco, California.

/s/ ELIZABETH LEWIS

Elizabeth Lewis

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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